

Message Text

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PAGE 01 RIO DE 03726 052043Z

17-12

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20 NSC-10 SS-15

STR-08 CEA-02 DRC-01 /149 W
----- 027502

R 052000Z OCT 73

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 9416

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

UNCLAS RIO DE JANEIRO 3726

E.O. 11652: N/A

TAGS: EAGR, BR

SUBJECT: SOYBEAN OIL SHORTAGE DEVELOPING

1. LOCAL PRODUCER/DISTRIBUTOR INFORMED CONGEN OFFICER THAT SHORTAGE OF SOYBEAN OIL DEVELOPING IN BRAZIL. SOME PRODUCERS HAVE ALLEGEDLY INDICATED THEY WILL HALT PRODUCTION UNLESS THEY SOON OBTAIN ADDITIONAL RAW MATERIAL. SHORTAGE REPORTEDLY DUE TO LACK OF BEAN OFFERINGS, RESULTING AT LEAST PARTIALLY FROM LARGE VOLUME OF EXPORTS AT HIGH PRICES. ESTIMATED EXPORTS OF 1.8 MILLION TONS HAVE LEFT APPROXIMATELY 2.7 MILLION TONS FOR DOMESTIC CRUSHERS, WHO HAVE INSTALLED CAPACITY OF 3 MILLION TONS. ON OCTOBER 4 CACEX SUSPENDED FURTHER EXPORTS OF SOYBEANS AND SOYBEAN OIL. GOB OFFICIALS MEETING WITH OIL PRODUCERS IN EFFORT ORGANIZE EQUITABLE ALLOCATION SYSTEM FOR KNOWN SOYBEAN SUPPLIES.

2. LOCAL OIL PRODUCER BELIEVES LARGER DOMESTIC BEAN SUPPLY EXISTS THAN IS BEING OFFERED. HOARDERS, HE FEELS, ACQUIRED THEIR PRESENT STOCKS WHEN PRICES WERE EXCEPTIONALLY HIGH AND THUS ARE RELUCTANT TO SELL IN CURRENT FALLING
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MARKET, HOPING THAT PRICE DECLINE WILL BE REVERSED. PRO-

POSAL HAS BEEN MADE TO IMPORT LIMITED AMOUNT OF SOYBEAN
OIL IN ORDER PREVENT CRISIS AND TO CONVINCE SPECULATORS
THAT PRICE DECLINE WILL NOT BE REVERSED. SPECULATORS
WOULD THEN PRESUMABLY SELL THEIR STOCKS, THEREBY EASING
DOMESTIC SUPPLY, RATHER THAN SUFFER ADDITIONAL LOSSES BY
WAITING.
BOONSTRA

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NNN

Message Attributes

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Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
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EO Systematic Review
30 JUN 2005

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Subject: SOYBEAN OIL SHORTAGE DEVELOPING
TAGS: EAGR, BR
To: STATE
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